

MINUTES

Grand Junction Housing Authority
Board of Commissioners' Meeting

Monday, October 22, 2007
Housing Authority Offices
1011 North Tenth Street
11:30 a.m.

1. Call to Order and Introduction of Guests

The regular October Grand Junction Housing Authority (GJHA) Board Meeting was called to order by Board Chair Kathleen Belgard at 11:50 a.m. with the following individuals in attendance: Board Members Steve Heinemann, Gi Moon, Ora Lee, and Tisha Petelo; guests Kathy Portner, the Neighborhood Services Manager from the City of Grand Junction (City), Anne Ricker, a Principal in the Denver Office of Leland Consulting Group, and Harold Stalf, Executive Director of the Downtown Development Authority (DDA); and staff members Executive Director Jody Kole, Executive Assistant Kristine Franz, Development Director Don Hartman, Operations Director Lori Rosendahl, Accounting Supervisor Cheryl Sweers, and Finance Director Andre' van Schaften.

2. Adoption of Minutes of September 24, 2007

To accommodate guests and their presentation, the order of the Agenda was modified. Adoption of the September 24th Board Meeting Minutes will be addressed later.

3. Presentation on Downtown Master Plan

With brief guest introductions by Jody and an announcement that the DDA and the City are working together on a Downtown Strategic Plan, Jody asked Harold to further explain the process.

Harold stated that the Downtown Strategic Planning process is part of the overall Master Plan for the City. There are numerous quadrants and geographical areas as part of the overall Master Plan. The City and the DDA decided to tackle together the original Grand Junction historical town site, the Downtown Housing Effort (DHE) District, and The Leland Consulting Group was selected to assist them in this effort.

With a short preface to the Leland Consulting Group, who specializes in downtown revitalization, corridor redevelopment, urban renewal, etc., Anne began her presentation by discussing the structure of the Leland team, describing the education process of the community, and explaining the work process/products and outcomes. Anne closed by requesting, from the group, any input necessary to address any housing issues that the Agency and its Programs might have.

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Specific questions from Gi regarding Mesa State College and its aggressive expansion plans that are creating additional housing challenges were addressed by Anne and Harold.

Jody requested Kathy explain the linkage between the Downtown Strategic Plan, dealing with a specific geographical subset of the community, and the Comprehensive Plan, which also has a housing component. Kathy noted the City's Comprehensive or Master Plan, which encompasses the entire Grand Valley from Palisade to Fruita, is already underway, and is looking at growth issues for the next 20 years. She continued to explain that this Plan not only includes specific neighborhood plans but also includes additional components of services and facilities for urban area needs such as parks, public safety, housing strategy, transportation, etc.

It was noted that the Downtown Strategic Plan is projected to take approximately 6 months from September to complete, whereas the Master Plan will take about 18 months, completing in 2008. Implementation strategy is estimated at 5-10 years, with 60% of the implementation completed within the next 5-7 years.

The Board thanked Kathy, Anne, and Harold for taking the time to present the Downtown Master Plan to the group. With the presentation completed, they left at 12:30 p.m.

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2. Adoption of Minutes of September 24, 2007

With a motion by Gi, a second by Steve, and a unanimous vote, the Minutes of the September 24, 2007 Board Meeting were adopted.

4. Development Update

Referencing his previously distributed Development Update, Don focused on the following highlights:

Arbor Vista

- A letter from the Grand Junction City Manager Laurie Kadrich has been received notifying the GJHA that the City Council has directed the inclusion of the infill funding request for Arbor Vista in the amount of \$593,300 to the 2008 Budget. He gave the group the breakdown of the dollars per items. Don clarified questions pertaining to the alignment of Court Road and improvements of a half-street to Bunting.
- The major site plan review has been delayed by a couple of weeks due to needing to incorporate the Elm Avenue and Bunting Avenue improvements into the plan.

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- Reinstated weekly preconstruction meetings with the architect, civil engineer, and general contractor.
- Waiting for Grant Request responses from the Colorado Division of Housing, Mesa County and Federal Home Loan Bank.
- Requests for Proposals (RFP) have been issued for the Equity Partner and Construction/Permanent Financing Investor, with subsequent November 1st and November 16th deadlines.

Gi extended “kudos” to Don for keeping the Board so well informed on the status of Arbor Vista.

2817½ Elm Avenue

- The property at 2817½ has been purchased, the former tenant has vacated the premises, and the GJHA will lease the house shortly.

Village Park

- A meeting needs to be scheduled with the Village Park Homeowners Association to discuss the potential development ideas.

Mesa State College Houses

- Jody has had prior conversations with Mesa State College President Tim Foster, who indicated that the College would pay to relocate houses off of their properties to vacant lots, and with some renovation, the houses could be used for affordable housing.
- Don has scheduled a meeting with a Mesa College representative to go look at the houses waiting to be demolished or moved. Extensive discussion ensued regarding the economics and challenges faced if/when acquiring these movable houses.
- Limited research has been done on vacant lots. Board consensus was to continue to look for affordable lots. Suggestions were made to approach Habitat for Humanity on purchasing “odd shaped” lots and Housing Resources of Western Colorado for working on the rehab of the houses plus purchasing any available lots.
- Staff presented, for Board consideration, a contract drawn up by Erika Doyle, of Doyle and Associates, for the purchase of a vacant lot at 3257½ Mesa Avenue at the price of \$59,900. After discussion and at the Board’s direction, staff will proceed to acquire the Mesa Avenue lot, and continue to look at other opportunities with Habitat for Humanity and Housing Resources of Western Colorado.

As a side note, the one-year contract with Erika Doyle as the GJHA single-family realtor expired late 2006. She has submitted a proposed new contract for

consideration. Pleased with her services, Jody recommended that her contract be renewed on a one-year basis with the prior terms. After discussion, the Board decided that it was time to renew the competition for this realtor service and to not exercise the one-year renewal option, but to request that a RFP be issued for these services.

5. Select Subcommittee to Review Responses to Request for Proposal for Equity Investors at Arbor Vista

Staff invited Board involvement in reviewing the responses to the RFP for Equity Investors at Arbor Vista. Kathleen volunteered to assist GJHA staff in the review process.

In order for the Board to discuss the Subcommittee's findings and recommendations to select an Equity Investor prior to the deadline, the regular November Board Meeting was rescheduled for November 19th at 11:00 a.m.

6. Schedule a November/December Workshop Date to Revisit Board Retreat Goals and Review Progress and

7. Review December Scheduled Board Meeting Date for Holiday Conflict

Deferred until after the November 19th Board Meeting were decisions on when to schedule a Workshop to revisit Board Retreat Goals and review progress and if the December Board Meeting should be rescheduled.

8. Resolution No. 2007-15 Approving Increasing Voucher Payment Standards to 110% of Current Fair Market Rents

The U.S. Department of Housing and Urban Development (HUD) recently published the 2007/2008 **Final** Fair Market Rents (FMRs). HUD allows the Public Housing Authorities to set their payment standards between 90% and 110% of the published FMRs in an effort to de-concentrate poverty and assist families in locating suitable units. Referencing her Board memorandum of October 16th, Lori justified why the GJHA staff requests to continue with the 110% exception Payment Standards.

With limited questions, the Board approved *Resolution No. 2007-15 Approving Increasing Voucher Payment Standards to 110% of Current Fair Market Rents* with a motion from Gi, a second from Steve, and an unanimous vote.

As a side note, at the September Board Meeting the Board granted permission for Staff to proceed to seek HUD approval to increase the payment standards to 120% of the FMRs

from HUD without having the costly Random Digit Dialing process conducted by an outside source. Lori announced that this request was denied because of “no scientific supporting data”.

9. Finance Committee Update

Gi’s overview of the Finance Committee meetings thus far noted that several meetings have taken place with great progress being made.

Using the September financial data, Jody created a grid format that can be tweaked for different programs and properties, with applicable indicators. The format was passed around for a quick Board review, noting that if this format is useful and acceptable, it could become a financial tool used by both Board and Staff. When examining the layout and the information it illustrated, several individuals mentioned that it was quickly apparent that the Agency is a very healthy organization financially.

Another Finance Committee meeting will be scheduled for January. Gi accepted the Board’s request to remain on this Committee after the completion of her Board term (October 31st) but asked if another Board Member should be appointed to replace her in the official capacity as a Board Member. This issue will be further addressed.

Cheryl was commended for doing an excellent job in calculating indicators.

Rich Krohn joined the Meeting at 1:05 pm.

10a. Sale of Capital Terrace Townhomes and Houses

With the arrival of GJHA Attorney Rich Krohn, Jody asked to pre-empt discussion of the next Agenda item with dialogue regarding the sale of Capital Terrace Townhomes.

In giving a brief recap of prior conversations, Jody stated that during the course of negotiations a week ago with Hilltop Community Resources (Hilltop) for the sale of the 6 single-family houses, which the Board decided earlier could be sold without a competitive RFP, Hilltop indicated that it would also like to purchase the 24 townhomes. Consenting to our terms, Hilltop agreed to not displace any of the tenants, committed to 20 years of affordable housing in a deed restriction of 50% of the Average Median Income (AMI) or below, and will pay at least the appraised value for the property. It was also noted that Hilltop doesn’t need any grant monies to purchase the properties.

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Because of prior interest from two other parties in purchasing the 24 townhomes, Rocky Mountain Mutual Housing and Housing Resources of Western Colorado, they were approached but couldn't meet the terms, and both parties encouraged the sale to Hilltop.

Questions arose again from Board Members and staff regarding whether the Housing Authority was required to offer the properties for sale via competitive bidding. Because of those questions, Rich was asked to join this meeting today. He informed the group that, after extensive research, no requirement has yet been found stating that an RFP must be issued.

Jody stated that the GJHA Purchasing Policy has been reviewed and she discussed the last Section of the Policy, *Disposition of Surplus Property*. Upon distribution and review of this Section of the Policy, it was concluded that the substance of this Section addresses "goods and equipment", and is not applicable to "real estate".

Discussion ensued regarding advertising the property on the Realtor's Multiple Listings Service (MLS) with a probable lengthy turn around and the low probability that a competing buyer would be willing to accept a 20-year Deed Restriction. The proposed sale to Hilltop can close by the end of the year and preserves the affordability of these units in the market.

Conversation continued when Jody asked if anyone had any hesitation with the transaction, to which Rich and Jody gave informed answers to questions. The group was also reminded that from the inception of this demo/dispo process, an Agency preference was that this property would be sold to an entity that would keep the units affordable.

Jody stated that HUD's final authorization of this demo/dispo transaction is currently at the Washington, D.C. level - past the first approval stage and pending the second, with the Denver office to receive the paperwork for implementation.

Jody announced that during negotiations, and pending this Board Meeting, a tentative agreement has been reached with Hilltop on terms of a contract with a deadline to sign this Wednesday, October 24th and a transaction completion date of December 10th. A provision for the Board's final approval is also included in the contract.

Rich stated that part of the reason the negotiations went so smoothly is to Jody's credit. The first meeting with Hilltop was just less than a week ago. At Jody's direction, Hilltop was provided, for their review, a fully prepared contract in signable form the day prior to

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the meeting, with exhibits given to them on the day of the meeting, demonstrating the Agency's eagerness to be informative and cooperative. Jody was commended by the Board on her proactive role in this transaction.

Acting on the advice of counsel and in good faith, the Board directed staff to proceed with the transaction.

Rich departed at 1:50 p.m.

As a side note, Gi and Steve suggested that Jody and/or Lori should think about giving a presentation at a NAHRO conference to guide others through a demo/dispo process.

10. Review Financial Statements Ending September 30, 2007 for all GJHA Programs (Excluding Crystal Brook and Linden Pointe)

At the beginning of the financial presentation, Andre' noted that the financials are for Fiscal Year 2006/2007 year end and stressed that the numbers can't be considered final until the audit is conducted. Review and analysis continues, but no major changes are expected.

In answering a couple of Board questions, it was pointed out that HUD is two months (plus October) behind in its Housing Assistance Payments (HAP) Subsidy to the Agency for Ratekin Tower. The shortfall is being drawn from Replacement Reserves, with HUD approval, until HUD's problems can be fixed.

Cheryl mentioned that a requested rent increase of \$13 at Walnut Park Apartments has been submitted to HUD and a \$17 rent increase at Ratekin Tower has already been approved.

Reviewing the financials, Gi noted the higher vacancy rate at Linden Pointe attributed to the wide distribution of income levels, and suggested that this be considered when structuring the Arbor Vista units. Lori talked to the on-going training of new staff at the different properties and how fully-trained personnel will be able to help curb vacancy issues.

The Board recognized Andre' and Cheryl for their extra efforts on the quarterly financials, year-end financials, and for compiling additional data for the Finance Committee.

11. Other Business

Recognizing Gi Moon

Due to Board Member term limits, this was the last Board Meeting for Gi Moon as a Board Member. On behalf of the entire GJHA Board and staff, Kathleen expressed our gratitude to Gi for more than a decade of dedication and service to the Agency and the Grand Junction community.

In recognition of a “Fiduciary and a Friend”, she was presented with a wall plaque and a small token of our appreciation. A Board dinner will also be schedule in the near future in her honor. Graciously accepting the gifts, she said, “to never doubt for a minute that what we are doing is so vital to the community and that it has been my real honor and pleasure to be a part of this organization”.

Gi then shared that she has been invited to set on the HomewardBound Board and has accepted the Board seat. Congratulations!

GJHA Representative on the HomewardBound Board

It was announced that Lori will replace Jon Wickre as the GJHA representative on the HomewardBound Board, beginning with the October Board Meeting.

Housing Choice Voucher Specialist Training

Lori was commended for taking the initiative to arrange for a trainer to travel to Grand Junction to provide the Housing Choice Voucher Specialist Training that entails a week of intensive learning with certification upon testing. Besides 12 GJHA staff members attending, other Colorado housing agencies were invited to participate and sent staff from the Denver area and other Western Slope communities. By hosting the training locally, the Agency realized a cost savings of approximately \$2600 per staff member.

12. Adjourn

With all business complete, the regular October Board Meeting was adjourned at 2:12 p.m. with a motion by Gi, a second by Steve, and a unanimous vote.

